



Presentation to

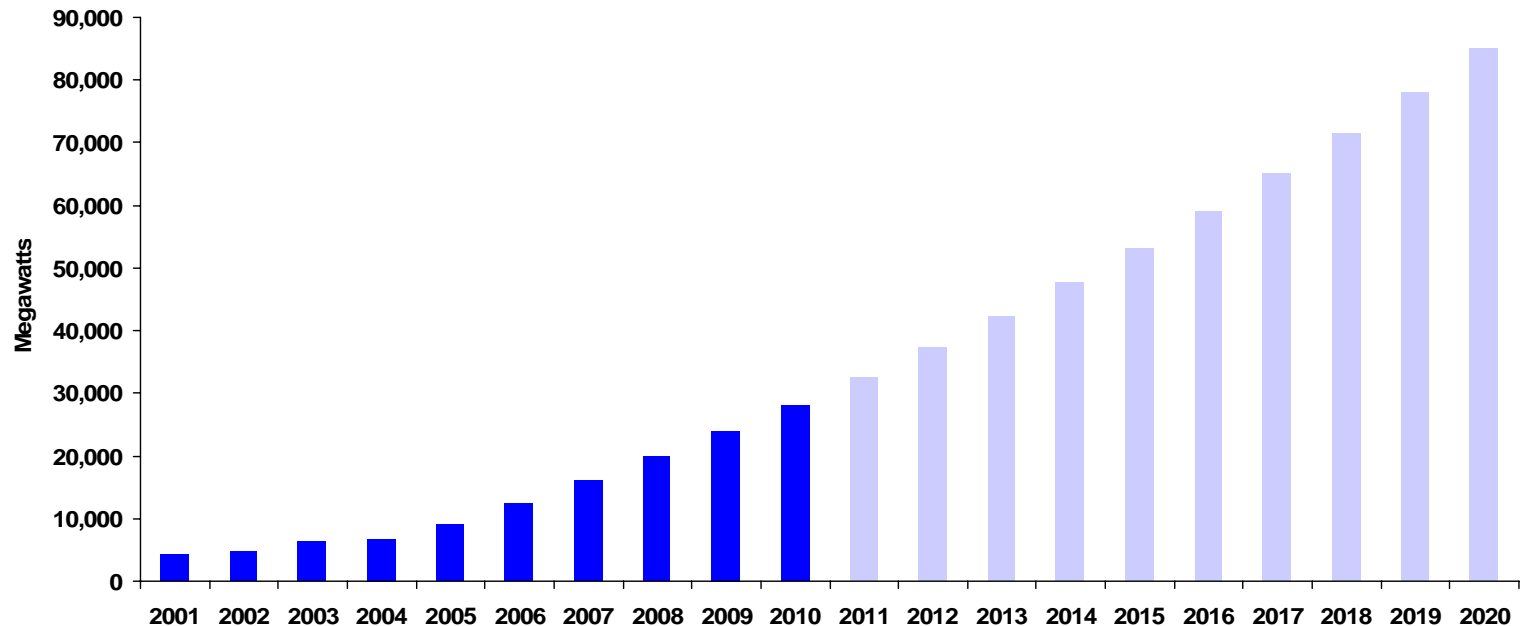
Tomorrow's Energy Today

Steve Taber
Chairman & CEO
Nordic Windpower
25 October 2006

Business Position

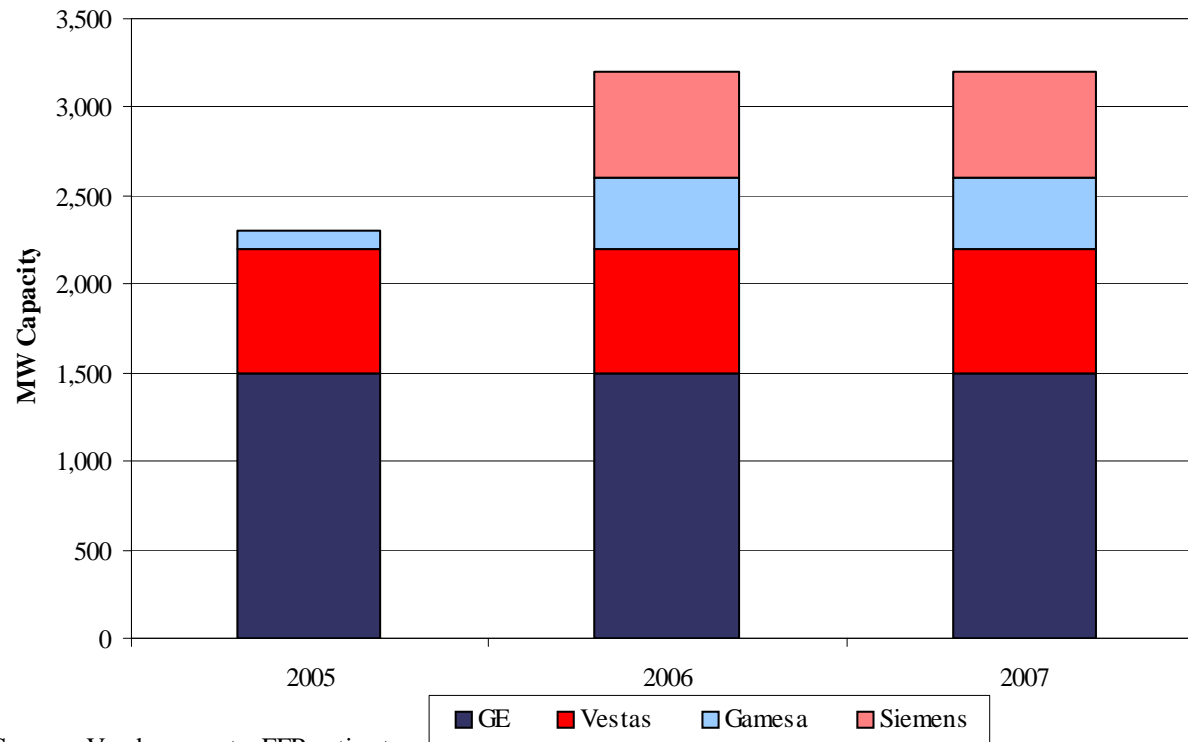
- Large & Growing Market
 - Growing 25% per year since 1990
- Experienced Management Team
- Proven, Reliable Technology
 - Inherent cost advantage of 5% to 30%
- Highly capital-efficient business model
 - Final assembly & test
 - All component manufacturing outsourced
 - Just-in-time – no parts or product inventory
 - No receivables issues

Windpower experiencing explosive growth worldwide



\$ ½ trillion will be invested in the US by 2020

Market Opportunity: Supply Shortfall



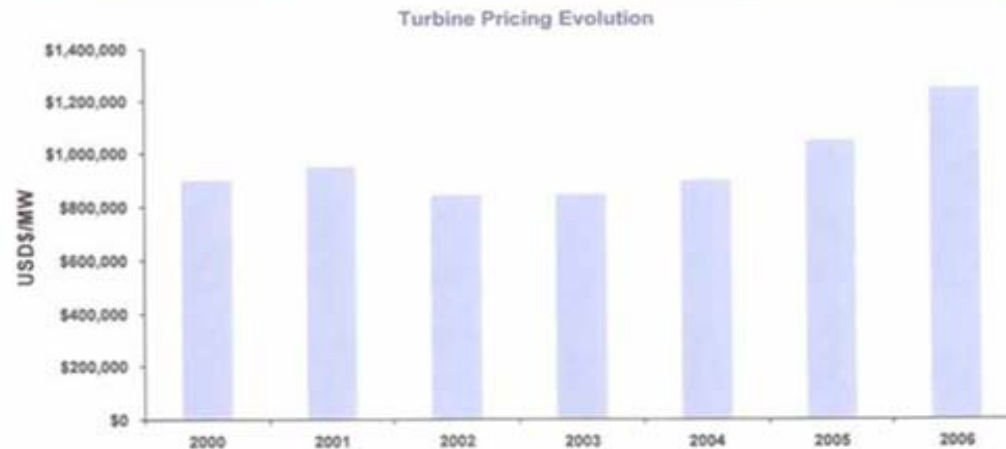
Source: Vendor reports, EER estimates

Supply shortfall of ~ 1,000 MW per year

Market Opportunity: Turbine Pricing

Market Trends North America Pricing

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Source: Vendor contract figures, Emerging Energy Research estimates.

Turbine prices are climbing in the short term based on GE dominance, while new entrants are expected to have an impact over the long term.

Going Global – Carnegie Wind Energy Seminar 2005

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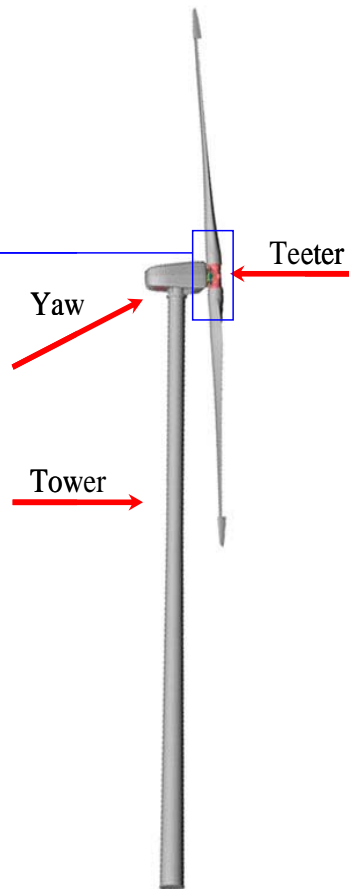
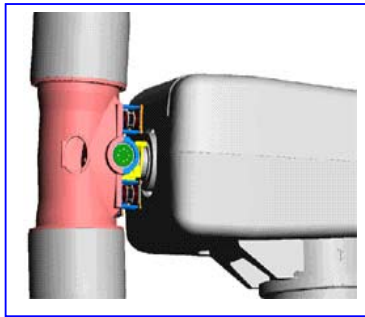
 emerging energy research
www.emerging-energy.com

*Prevailing market prices are rising steeply,
widening Nordic's advantage as low cost producer*

The Nordic Philosophy: Simple, Reliable, Very Cost Competitive



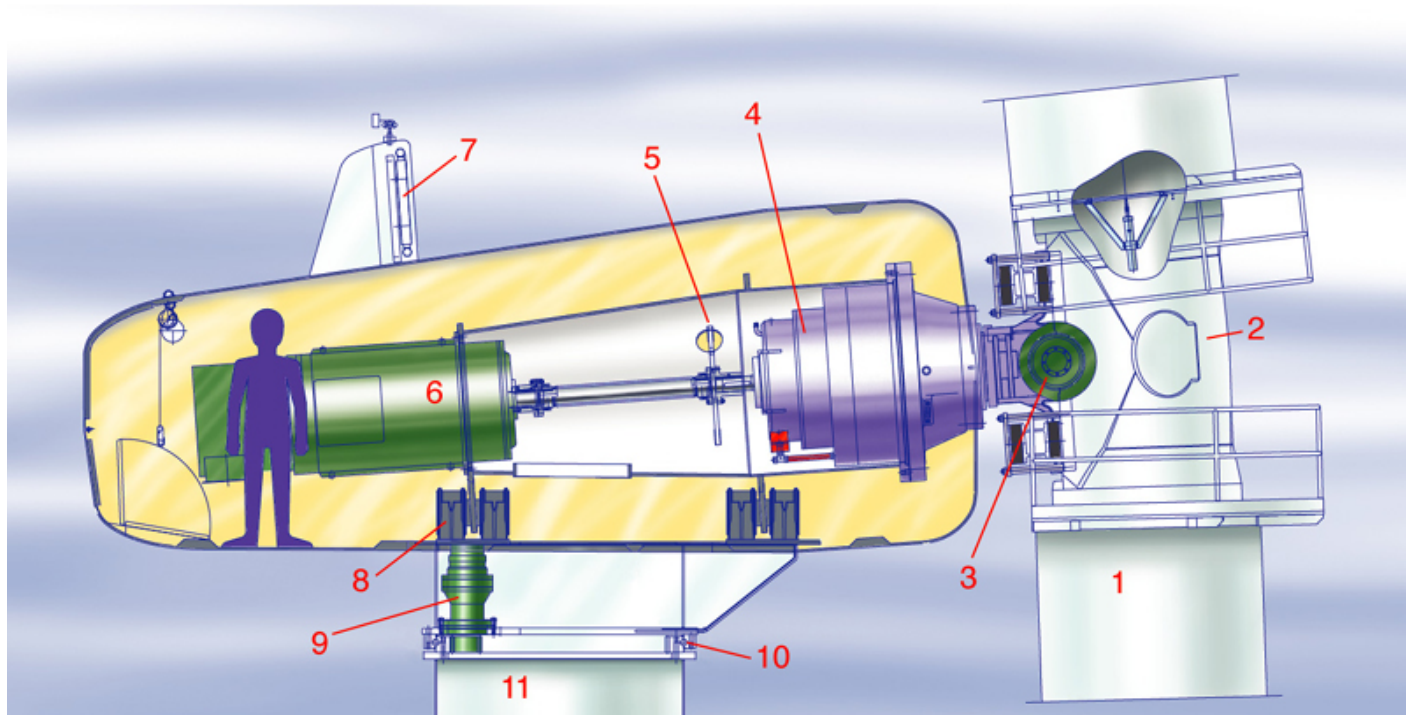
The Nordic 1000



The "Danish Topology"
rigid & massive

The Nordic "flexible design"
lightweight & elegant

The Nordic 1000



1. Blade 2. Hub 3. Teeter bearing 4. Gearbox 5. Disc brake 6. Generator 7. Cooler
8. Vibration isolators 9. Yaw drive 10. Yaw bearing 11. Tower

*An uncomplicated design with less components enables a long and reliable operation.
The roomy interior of the nacelle facilitates the maintenance of the turbine.*

Competitive Advantage: Manufacturing & Installation

- Blades fewer and lighter
- Nacelle lighter
- Tower lighter
- Foundation smaller
- Assemble nacelle and hub on the ground
- Two tower sections, not three
- Three crane picks, not five

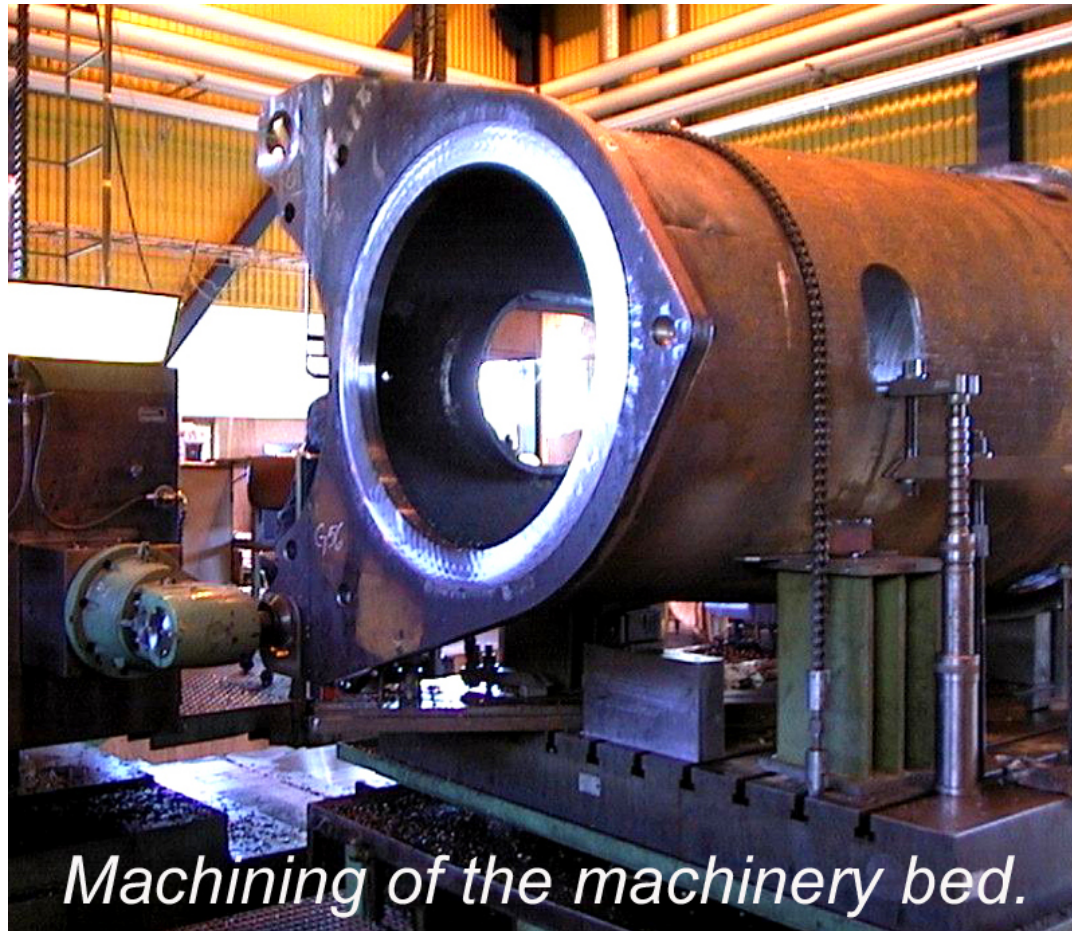
Competitive Advantage: Reliability & Maintenance

- In Sweden, over 100,000 hours of trouble-free operation – over 98% availability
- No component failures
- Simple maintenance - under \$5,000 per year
- Current Nordic turbines hold the world record for hours of operation and power produced

Assembly



Assembly



Assembly



Assembly of the nacelle at our workshop.

Assembly



Roll-out of the nacelle from the workshop.

Installation



Casting of the foundation.

Installation



Installation



The tower consists of two sections.



Erecting the first tower section.

Installation



The first tower section is lowered towards the foundation.

Installation



Erecting the second tower section.

Installation



The nacelle is lifted from the trailer.

Installation



Assembling the second blade with the hub.

Installation



Installation



Lifting the nacelle, with blades mounted.

Installation



The nacelle is about to land on top of the tower.

Installation



Assembly platform

- Factory floor
 - Floor area minimum 5,000 m² (50,000 ft²)
 - Floor loading 20 tonnes/m² (2 tons/ft²)
 - Plus outdoor staging
- Crane
 - Two cranes minimum
 - Crane capacity 60 tonnes
 - Crane lifting height 10m (34 ft)

Supply Chain (European partners)



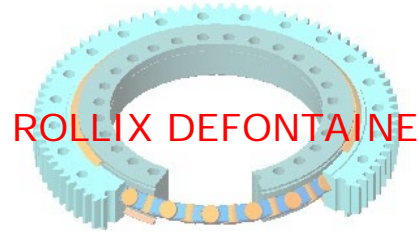
gearboxes

Kristiansand
Jernstoberi

hub



blades



ROLLIX DEFONTAINE

yaw gears



controls



generator

Long-term co-operation with well-known suppliers

Opportunity for a Strategic Partner

- Wind market is growing very rapidly, with no end in sight
- Market timing is excellent
- Technology is proven and strongly competitive
- No assembly facilities or location have been established

Opportunity for a Strategic Partner

- The Nordic team is very strong in renewable energy but inexperienced in manufacturing
- We seek a partner who can bring complementary strengths
 - Just-in-time assembly
 - Supply Chain management
 - Financial depth
 - Proven performance

Challenges for a Strategic Partner

- Assembly is not difficult
- Managing the Supply Chain is the key challenge
- Delivery time is often inflexible
- Warranty exposure is significant
 - Timely delivery
 - Power curve and availability
 - Serial defects

Opportunity for a Strategic Partner

- Low cost of market entry
 - A rare business opportunity to enter a capital-intensive industry with a highly capital-efficient business model
 - No R&D – no complex tooling – no flooring
- Excellent market timing
 - Rising prices
 - Industry backlogged 2 years
 - Strong growth for the next decade and more

Outstanding opportunity to build value

- European markets have placed very high valuations on wind turbine manufacturers
- London market has supported IPOs of wind turbine manufacturers, some pre-revenue
- Current market valuations:

Suzlon	\$8 billion
Gamesa	\$4 billion
Clipper	\$600 million

- Significant acquisition interest
 - Recent acquisitions by GE, Siemens, Vestas, Goldman-Sachs, AES, EdF, (Shell? Cat?)



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